

TOWNSHIP OF HOPKINS

ALLEGAN COUNTY, MICHIGAN

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2004

COPY

Michigan Department of Treasury
496 (2-04)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name HOPKINS TOWNSHIP	County ALLEGAN
Audit Date 3/31/04	Opinion Date 9/8/04	Date Accountant Report Submitted to State: 9/30/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) FERRIS, BUSSCHER & ZWIERS, P.C.			
Street Address 675 E. 16TH STREET, SUITE 100		City HOLLAND	State MI
Accountant Signature <i>Dan W. Ferris C.P.A.</i>		ZIP 49423	Date 9/27/04

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TOWNSHIP OF HOPKINS

TOWNSHIP BOARD

Mark Evans	Supervisor
Dawn Arndt	Clerk
Jean Modreske	Treasurer
Doug Hills	Trustee
Chuck Wamhoff	Trustee

September 8, 2004

Township Board
Township of Hopkins
Hopkins, Michigan

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general purpose financial statements of the Township of Hopkins, Allegan County, Michigan as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above, present fairly, in all material respects, the financial position of the Township of Hopkins, Allegan County, Michigan as of March 31, 2004, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Ferris, Busscher & Zwiers, P.C.

FERRIS, BUSSCHER & ZWIERS, P.C.
Certified Public Accountants
Holland, Michigan

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Holland Michigan 49423
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GENERAL PURPOSE FINANCIAL STATEMENTS

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNTS GROUPS
MARCH 31, 2004

	Governmental Fund Types		Fiduciary Fund Types
	General	Debt Service	Agency
ASSETS			
Cash and investments	\$ 1,050,548	\$ 16,778	\$ 214,546
Taxes receivable	-	-	19,489
Due from other funds	92,031	9,315	411
Due from other governmental entities	19,464	-	-
Prepaid insurance	6,560	-	-
Fixed assets	-	-	-
Amount available in debt service fund	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-
TOTAL ASSETS	<u>\$ 1,168,603</u>	<u>\$ 26,093</u>	<u>\$ 234,446</u>
LIABILITIES			
Due to other funds	\$ 411	\$ -	\$ 101,346
Due to other governmental entities	-	-	133,100
Deposit	10,000	-	-
Long-term debt	-	-	-
TOTAL LIABILITIES	<u>\$ 10,411</u>	<u>\$ -</u>	<u>\$ 234,446</u>
FUND EQUITY			
Investment in general fixed assets	\$ -	\$ -	\$ -
Fund balance			
Reserved	175,574	26,093	-
Unreserved	<u>982,618</u>	<u>-</u>	<u>-</u>
TOTAL FUND EQUITY	<u>\$ 1,158,192</u>	<u>\$ 26,093</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,168,603</u>	<u>\$ 26,093</u>	<u>\$ 234,446</u>

See notes to financial statements

Account Groups		Total (Memorandum Only)
General Fixed Assets	General Long-Term Debt	
\$ -	\$ -	\$ 1,281,872
-	-	19,489
-	-	101,757
-	-	19,464
-	-	6,560
633,020	-	633,020
-	26,093	26,093
-	32,763	32,763
<u>\$ 633,020</u>	<u>\$ 58,856</u>	<u>\$ 2,121,018</u>
 \$ -	 \$ -	 \$ 101,757
-	-	133,100
-	-	10,000
-	58,856	58,856
<u>\$ -</u>	<u>\$ 58,856</u>	<u>\$ 303,713</u>
 \$ 633,020	 \$ -	 \$ 633,020
-	-	201,667
-	-	982,618
<u>\$ 633,020</u>	<u>\$ -</u>	<u>\$ 1,817,305</u>
 <u>\$ 633,020</u>	 <u>\$ 58,856</u>	 <u>\$ 2,121,018</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>General</u>	<u>Debt Service</u>	Total (Memorandum Only)
REVENUES			
Taxes	\$ 191,317	\$ 55,831	\$ 247,148
Licenses and permits	16,032	-	16,032
Intergovernmental revenue	171,573	-	171,573
Charges for services	24,879	-	24,879
Miscellaneous	<u>18,533</u>	<u>71</u>	<u>18,604</u>
TOTAL REVENUES	<u>\$ 422,334</u>	<u>\$ 55,902</u>	<u>\$ 478,236</u>
EXPENDITURES			
General government	\$ 93,672	\$ -	\$ 93,672
Public safety	78,391	194,666	273,057
Public works	116,868	-	116,868
Recreation	72,396	-	72,396
Other expenditures	<u>14,073</u>	<u>30,500</u>	<u>44,573</u>
TOTAL EXPENDITURES	<u>\$ 375,400</u>	<u>\$ 225,166</u>	<u>\$ 600,566</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 46,934</u>	<u>\$ (169,264)</u>	<u>\$ (122,330)</u>
OTHER FINANCING SOURCES			
Proceeds from loan	<u>\$ -</u>	<u>\$ 88,856</u>	<u>\$ 88,856</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ 46,934</u>	<u>\$ (80,408)</u>	<u>\$ (33,474)</u>
FUND BALANCE - APRIL 1, 2003	<u>\$ 1,111,258</u>	<u>\$ 106,501</u>	<u>\$ 1,217,759</u>
FUND BALANCE - MARCH 31, 2004	<u>\$ 1,158,192</u>	<u>\$ 26,093</u>	<u>\$ 1,184,285</u>

See notes to financial statements

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 157,620	\$ 191,317	\$ 33,697
Licenses and permits	18,000	16,032	(1,968)
Intergovernmental revenue	155,000	171,573	16,573
Charges for services	24,325	24,879	554
Miscellaneous	<u>17,410</u>	<u>18,533</u>	<u>1,123</u>
TOTAL REVENUES	<u>\$ 372,355</u>	<u>\$ 422,334</u>	<u>\$ 49,979</u>
EXPENDITURES			
General government	\$ 125,560	\$ 93,672	\$ 31,888
Public safety	89,300	78,391	10,909
Public works	168,400	116,868	51,532
Recreation	134,500	72,396	62,104
Other expenditures	<u>18,000</u>	<u>14,073</u>	<u>3,927</u>
TOTAL EXPENDITURES	<u>\$ 535,760</u>	<u>\$ 375,400</u>	<u>\$ 160,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (163,405)</u>	<u>\$ 46,934</u>	<u>\$ 210,339</u>
FUND BALANCE - APRIL 1, 2003	<u>\$ 1,111,258</u>	<u>\$ 1,111,258</u>	<u>\$ -</u>
FUND BALANCE - MARCH 31, 2004	<u>\$ 947,853</u>	<u>\$ 1,158,192</u>	<u>\$ 210,339</u>

See notes to financial statements

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Hopkins, Allegan County, Michigan (the "Township") was organized in 1852 and covers an area of approximately 36 square miles. The Township operates under an elected Board of Trustees (5 members) and provides services such as fire and ambulance protection, community enrichment and development and human services to its residents. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 14, certain other governmental organizations are not considered to be part of the Township entity for financial reporting purposes. The financial statements of the Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. FUNDS AND ACCOUNT GROUPS

The accounts of the Township are organized into funds and account groups, each of which is considered to be a separate accounting entity. The major fund categories and account groups are as follows:

Governmental Funds

General Fund - This fund is the general operating fund of the Township. All financial resources, except those required to be accounted for in another fund, are accounted for in the general fund. The fund includes the general operating expenditures of the local unit.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including principal, interest and related costs.

Fiduciary Funds

Agency Fund – This fund is used to account for assets held by the Township in a trustee or agency capacity. Agency funds are custodial in nature and do not involve measurement of results of operations.

Account Group

General Fixed Assets - This account group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. No depreciation is recorded on general fixed assets.

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. FIXED ASSETS

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized. No depreciation has been provided on such assets.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental and agency funds are accounted for using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenue when both "measurable and available". "Measurable" means the amount can be determined and "available" means collectable within the current period or soon enough thereafter to pay current liabilities. Also under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due. Major revenue sources susceptible to accrual include: property taxes, intergovernmental revenues and investment income.

Property taxes for the Township are levied December 1 and are due and payable on or before February 15 of the following year. The Township bills and collects its own property taxes as well as taxes for the county and local school districts. Property tax revenues are recognized when levied to the extent that they result in current receivables. Delinquent taxes are received by Allegan County. Collection of all taxes are accounted for in the agency fund.

D. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to aid in financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 2 – LEGAL COMPLIANCE

Budget Information

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Township supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is on file for public inspection in the office of the Township clerk for a period of not less than one week prior to adoption.
- c. A public hearing regarding the proposed budget is held before the budget is legally adopted by resolution.
- d. Formal budget integration is employed as a management control device during the year for the general fund. Formal budgetary integration is not employed for any other fund, and only informational summaries are prepared for other funds to serve as a management tool and are presented to the Township Board for consideration. During the fiscal year ended March 31, 2004, the original appropriated general fund budget was amended by action of the Township Board. The general fund budget information presented in these financial statements is the final amended budget for the year ended March 31, 2004.

Excess of Expenditures Over Appropriations in Budgeted Funds

The Uniform Budgeting and Accounting Act, P.A. 2 of 1968, as amended, provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis as per the adopted budgets. For the year ended March 31, 2004, there were no actual expenditures on a functional basis that were in excess of amounts appropriated.

NOTE 3 – CASH AND INVESTMENTS

The Township maintains its deposits and investments at Michigan depository institutions.

The Township's investment policies are governed by State of Michigan statutes, formal board policy and administrative procedures. Permissible investments include Michigan financial institution certificates of deposit, certain investment funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan, bonds and other direct obligations of the United States Government, and United States Government or Federal agency obligation repurchase agreements. The term of investments and financial institutions used for investment purposes are determined based upon the Township's needs.

At March 31, 2004, the carrying amount of the Township's deposits was \$796,056 and the bank balance was \$799,151. The Township's deposits are categorized to give an indication of the level of risk assumed by the Township at March 31, 2004. The categories are described as follows:

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Uncollateralized.

Deposits, categorized by level of risk, are:

<u>Category</u>	<u>Amount</u>
1	\$ 89,459
2	-
3	<u>709,692</u>
Total Bank Balance	<u>\$ 799,151</u>

Investments held by the Township at March 31, 2004 consist of certificates of deposit and repurchase agreements. At March 31, 2004, the carrying amount and bank balance of the Township's certificates of deposit were \$113,033. Of the bank balance, \$113,033 was covered by federal depository insurance. At March 31, 2004, the carrying amount and bank balance of the Township's repurchase agreements was \$372,783. The repurchase agreements are collateralized by Federal agency obligations.

NOTE 4 – CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets account group for the fiscal year:

	Balance April 1, 2003	Additions	Deletions	Balance March 31, 2004
Buildings	\$ 238,921	\$ -	\$ -	\$ 238,921
Land	-	69,903	-	69,903
Machinery and equipment	115,078	194,666	-	309,744
Office furniture and equipment	<u>14,452</u>	<u>-</u>	<u>-</u>	<u>14,452</u>
TOTAL	<u>\$ 368,451</u>	<u>\$ 264,569</u>	<u>\$ -</u>	<u>\$ 633,020</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 5 – LONG-TERM DEBT

The following is a summary of debt transactions of the Township for the year ended March 31, 2004:

	<u>Balance</u> <u>April 1, 2003</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>Balance</u> <u>March 31, 2004</u>
\$88,856, United Bank of Michigan note. Payments are in annual installments of \$32,199 through September 01, 2006, interest at 4.3%	\$ -	\$88,856	\$(30,000)	\$58,856
Total Debt Outstanding	\$ -	\$88,856	\$(30,000)	\$58,856

The annual requirements to maturity on the long-term obligations outstanding at March 31, 2004, including interest of \$3,782 are as follows:

	<u>General</u> <u>Long-term</u> <u>Debt</u>
2005	\$32,199
2006	<u>30,439</u>
	<u>\$62,638</u>

NOTE 6 – INTERLOCAL FIRE PROTECTION AGREEMENT

On November 4, 1993, the Township of Hopkins entered into a fire protection agreement along with the Village of Hopkins and Township of Watson. The general purpose of this agreement is to provide basic fire protection services throughout the Hopkins Fire District as defined in the agreement. This agreement created and established the Hopkins Fire Board as a separate administrative entity and public body and granted the Board the authority to govern fire protection and other designated emergency services as allowed by the terms of the agreement. Each member unit is required to contribute funds on a quarterly basis toward the operations of the Fire Board. Each unit's share is adjusted annually and is based upon a formula as provided for in the agreement. This agreement shall continue for a term of five years commencing April 1, 2000 and ending on March 31, 2005. This agreement shall be automatically renewed as to each unit for additional successive terms of five years each, unless a member unit withdraws in accordance with the agreements provisions.

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2004

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	\$ 92,031	Agency	\$101,346
Debt Service	9,315	General	<u>411</u>
Agency	<u>411</u>		
TOTAL	<u>\$101,757</u>	TOTAL	<u>\$101,757</u>

NOTE 8 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, unemployment benefits, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for all of the above mentioned types of risks.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage obtained through commercial insurance during the past year.

NOTE 9 – RESERVED FUND BALANCE

The general fund reserved fund balance is comprised of the following:

Reserved for:	
Cemetery	\$ 3,033
Roads	170,149
North East Lake Private Road	<u>2,392</u>
Total Reserved Fund Balance	<u>\$175,574</u>

The debt service fund balance is comprised of the following:

Reserved for:	
Principal and interest payments	<u>\$ 26,093</u>
Total Reserved Fund Balance	<u>\$ 26,093</u>

ADDITIONAL INFORMATION

September 8, 2004

Township Board
Township of Hopkins
Hopkins, Michigan

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

We have audited the general purpose financial statements of the Township of Hopkins, Allegan County, Michigan for the year ended March 31, 2004. Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Hopkins, Allegan County, Michigan. This information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Ferris, Busscher & Zwiers, P.C.

FERRIS, BUSSCHER & ZWIERS, P.C.
Certified Public Accountants
Holland, Michigan

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
GENERAL FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash and investments	\$ 1,050,548
Due from other funds	92,031
Due from other governmental entities	19,464
Prepaid insurance	<u>6,560</u>

TOTAL ASSETS	<u>\$ 1,168,603</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Due to other funds	\$ 411
Deposit	<u>10,000</u>

TOTAL LIABILITIES	<u>\$ 10,411</u>
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FUND BALANCE

Reserved for	
Cemetery	\$ 3,033
Roads	170,149
North East Lake Private Road	2,392
Unreserved	<u>982,618</u>

TOTAL FUND BALANCE	<u>\$ 1,158,192</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,168,603</u>
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TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 157,620	\$ 191,317	\$ 33,697
Licenses and permits	18,000	16,032	(1,968)
Intergovernmental revenue	155,000	171,573	16,573
Charges for services	24,325	24,879	554
Miscellaneous	<u>17,410</u>	<u>18,533</u>	<u>1,123</u>
TOTAL REVENUES	<u>\$ 372,355</u>	<u>\$ 422,334</u>	<u>\$ 49,979</u>
EXPENDITURES			
General government	\$ 125,560	\$ 93,672	\$ 31,888
Public safety	89,300	78,391	10,909
Public works	168,400	116,868	51,532
Recreation	134,500	72,396	62,104
Other expenditures	<u>18,000</u>	<u>14,073</u>	<u>3,927</u>
TOTAL EXPENDITURES	<u>\$ 535,760</u>	<u>\$ 375,400</u>	<u>\$ 160,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (163,405)</u>	<u>\$ 46,934</u>	<u>\$ 210,339</u>
FUND BALANCE - APRIL 1, 2003	<u>\$ 1,111,258</u>	<u>\$ 1,111,258</u>	<u>\$ -</u>
FUND BALANCE - MARCH 31, 2004	<u>\$ 947,853</u>	<u>\$ 1,158,192</u>	<u>\$ 210,339</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF REVENUES, COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
TAXES AND SPECIAL ASSESSMENTS			
Current property taxes	\$ 155,595	\$ 189,259	\$ 33,664
Mobile home taxes	225	258	33
Special assessments	<u>1,800</u>	<u>1,800</u>	<u>-</u>
TOTAL TAXES	<u>\$ 157,620</u>	<u>\$ 191,317</u>	<u>\$ 33,697</u>
LICENSES AND PERMITS			
Building, mechanical, plumbing and electrical permits	<u>\$ 18,000</u>	<u>\$ 16,032</u>	<u>\$ (1,968)</u>
INTERGOVERNMENTAL REVENUE			
State shared revenue	\$ 155,000	\$ 170,490	\$ 15,490
State right of way revenue	<u>-</u>	<u>1,083</u>	<u>1,083</u>
TOTAL INTERGOVERNMENTAL REVENUE	<u>\$ 155,000</u>	<u>\$ 171,573</u>	<u>\$ 16,573</u>
CHARGES FOR SERVICES			
Administrative fees	\$ 18,300	\$ 18,329	\$ 29
Grave openings	1,800	1,275	(525)
Sale of cemetery lots	1,000	300	(700)
Rental of cemetery land	225	225	-
Zoning hearing fees	<u>3,000</u>	<u>4,750</u>	<u>1,750</u>
TOTAL CHARGES FOR SERVICES	<u>\$ 24,325</u>	<u>\$ 24,879</u>	<u>\$ 554</u>
MISCELLANEOUS			
Interest income	\$ 15,100	\$ 13,753	\$ (1,347)
Insurance reimbursements	250	-	(250)
Street lighting reimbursements	260	260	-
Park revenues	1,500	935	(565)
Miscellaneous	<u>300</u>	<u>3,585</u>	<u>3,285</u>
TOTAL MISCELLANEOUS	<u>\$ 17,410</u>	<u>\$ 18,533</u>	<u>\$ 1,123</u>
TOTAL REVENUES	<u>\$ 372,355</u>	<u>\$ 422,334</u>	<u>\$ 49,979</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
Township Board			
Salaries of trustees	\$ 5,000	\$ 3,556	\$ 1,444
Supplies	1,100	1,093	7
Dues	1,500	1,310	190
Refunds	500	36	464
Printing and publishing	1,500	571	929
Miscellaneous	<u>1,000</u>	<u>77</u>	<u>923</u>
Total Township Board	<u>\$ 10,600</u>	<u>\$ 6,643</u>	<u>\$ 3,957</u>
Township Supervisor			
Salary	\$ 10,380	\$ 10,380	\$ -
Supplies	300	-	300
Miscellaneous	<u>500</u>	<u>392</u>	<u>108</u>
Total Township Supervisor	<u>\$ 11,180</u>	<u>\$ 10,772</u>	<u>\$ 408</u>
Assessor			
Salaries	\$ 14,700	\$ 14,700	\$ -
Supplies	1,800	1,579	221
Miscellaneous	<u>500</u>	<u>22</u>	<u>478</u>
Total Assessor	<u>\$ 17,000</u>	<u>\$ 16,301</u>	<u>\$ 699</u>
Professional Services			
Attorney fees	\$ 5,000	\$ -	\$ 5,000
Other professional fees	<u>5,000</u>	<u>3,663</u>	<u>1,337</u>
Total Professional Services	<u>\$ 10,000</u>	<u>\$ 3,663</u>	<u>\$ 6,337</u>
Clerk			
Salary	\$ 10,380	\$ 10,380	\$ -
Supplies	3,000	840	2,160
Miscellaneous	<u>500</u>	<u>348</u>	<u>152</u>
Total Clerk	<u>\$ 13,880</u>	<u>\$ 11,568</u>	<u>\$ 2,312</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (CONTINUED)
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT (CONTINUED)			
Board of Review			
Salaries	\$ 1,100	\$ 1,075	\$ 25
Treasurer			
Salary	\$ 11,004	\$ 11,004	\$ -
Supplies	4,500	3,665	835
Miscellaneous	<u>500</u>	<u>35</u>	<u>465</u>
Total Treasurer	<u>\$ 16,004</u>	<u>\$ 14,704</u>	<u>\$ 1,300</u>
Township Hall and Grounds			
Salaries	\$ 5,000	\$ 4,100	\$ 900
Repairs and maintenance	1,500	1,117	383
Utilities	3,700	1,786	1,914
Training and seminars	<u>2,000</u>	<u>381</u>	<u>1,619</u>
Total Township Hall and Grounds	<u>\$ 12,200</u>	<u>\$ 7,384</u>	<u>\$ 4,816</u>
Cemetery			
Salaries	\$ 1,896	\$ 1,896	\$ -
Supplies and maintenance	27,250	19,666	7,584
Miscellaneous	950	-	950
Capital outlay	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Cemetery	<u>\$ 31,096</u>	<u>\$ 21,562</u>	<u>\$ 9,534</u>
Elections			
Salaries	\$ 1,300	\$ -	\$ 1,300
Supplies	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total Elections	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 2,500</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 125,560</u>	<u>\$ 93,672</u>	<u>\$ 31,888</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (CONTINUED)
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
PUBLIC SAFETY			
Fire Protection			
Contracted services	\$ 48,200	\$ 48,098	\$ 102
Total Fire Protection	\$ 48,200	\$ 48,098	\$ 102
Inspections and Permits	\$ 18,000	\$ 16,255	\$ 1,745
Planning Commission			
Salaries	\$ 3,500	\$ 2,966	\$ 534
Printing and publishing	2,000	490	1,510
Miscellaneous	450	426	24
Total Planning Commission	\$ 5,950	\$ 3,882	\$ 2,068
Zoning Board of Appeals			
Salaries	\$ 1,900	\$ 1,855	\$ 45
Printing and publishing	750	301	449
Miscellaneous	250	-	250
Total Zoning Board of Appeals	\$ 2,900	\$ 2,156	\$ 744
Subsidies	\$ 9,250	\$ 3,000	\$ 6,250
Wayland Area Emergency Medical Service	\$ 5,000	\$ 5,000	\$ -
TOTAL PUBLIC SAFETY	\$ 89,300	\$ 78,391	\$ 10,909
PUBLIC WORKS			
Drains at Large	\$ 3,000	\$ 411	\$ 2,589
Highway and Streets			
Road construction and dust control	\$ 163,800	\$ 115,232	\$ 48,568

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (CONTINUED)
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
PUBLIC WORKS (CONTINUED)			
Street Lighting			
Utilities	\$ 1,600	\$ 1,225	\$ 375
TOTAL PUBLIC WORKS	<u>\$ 168,400</u>	<u>\$ 116,868</u>	<u>\$ 51,532</u>
RECREATION			
Parks	\$ 4,500	\$ 2,493	\$ 2,007
Equipment	5,000	-	5,000
Capital outlay	<u>125,000</u>	<u>69,903</u>	<u>55,097</u>
TOTAL RECREATION	<u>\$ 134,500</u>	<u>\$ 72,396</u>	<u>\$ 62,104</u>
OTHER EXPENDITURES			
Insurance	\$ 8,000	\$ 6,291	\$ 1,709
Payroll taxes	6,000	4,848	1,152
Village DDA Capture	<u>4,000</u>	<u>2,934</u>	<u>1,066</u>
TOTAL OTHER EXPENDITURES	<u>\$ 18,000</u>	<u>\$ 14,073</u>	<u>\$ 3,927</u>
TOTAL EXPENDITURES	<u>\$ 535,760</u>	<u>\$ 375,400</u>	<u>\$ 160,360</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS		
Cash and investments		\$ 16,778
Due from other funds		<u>9,315</u>
TOTAL ASSETS		<u>\$ 26,093</u>
LIABILITIES AND FUND BALANCE		
Fund balance		
Reserved		<u>\$ 26,093</u>
TOTAL FUND BALANCE		<u>\$ 26,093</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
YEAR ENDED MARCH 31, 2004

REVENUES	
Taxes	\$ 55,831
Interest	<u>71</u>
TOTAL REVENUES	<u>\$ 55,902</u>
EXPENDITURES	
Principal	\$ 30,000
Interest	500
Capital outlay	<u>194,666</u>
TOTAL EXPENDITURES	<u>\$ 225,166</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	\$ (169,264)
OTHER FINANCING SOURCES	
Proceeds from loan	<u>88,856</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES	\$ (80,408)
FUND BALANCE - APRIL 1, 2003	<u>106,501</u>
FUND BALANCE - MARCH 31, 2004	<u>\$ 26,093</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
MARCH 31, 2004

CURRENT TAX COLLECTION FUND

	Balance <u>April 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>March 31, 2004</u>
ASSETS				
Cash and investments	\$ 7,016	\$ 1,775,188	\$ 1,567,658	\$ 214,546
Due from other funds	-	411	-	411
Taxes receivable	<u>18,287</u>	<u>19,489</u>	<u>18,287</u>	<u>19,489</u>
TOTAL ASSETS	<u>\$ 25,303</u>	<u>\$ 1,795,088</u>	<u>\$ 1,585,945</u>	<u>\$ 234,446</u>
LIABILITIES				
Due to other funds	\$ 23,267	\$ 101,346	\$ 23,267	\$ 101,346
Due to other governmental entities	<u>2,036</u>	<u>133,100</u>	<u>2,036</u>	<u>133,100</u>
TOTAL LIABILITIES	<u>\$ 25,303</u>	<u>\$ 234,446</u>	<u>\$ 25,303</u>	<u>\$ 234,446</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS
MARCH 31, 2004

GENERAL FIXED ASSETS

Buildings	\$ 238,921
Land	69,903
Machinery and equipment	309,744
Office furniture and equipment	<u>14,452</u>

TOTAL GENERAL FIXED ASSETS	<u>\$ 633,020</u>
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INVESTMENT IN GENERAL FIXED ASSETS (WITHOUT
ALLOCATION AS TO SOURCE)

\$ 633,020

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF GENERAL LONG-TERM DEBT
MARCH 31, 2004

AMOUNT AVAILABLE AND TO BE PROVIDED
FOR THE PAYMENT OF GENERAL LONG-TERM DEBT

Amount available in debt service fund	\$ 26,093
Amount to be provided	
Tax levy	<u>32,763</u>
 TOTAL AVAILABLE AND TO BE PROVIDED	 <u>\$ 58,856</u>

GENERAL LONG-TERM DEBT PAYABLE

Note Payable - Bank	<u>\$ 58,856</u>
 TOTAL GENERAL LONG-TERM DEBT PAYABLE	 <u>\$ 58,856</u>

TOWNSHIP OF HOPKINS
ALLEGAN COUNTY, MICHIGAN
SCHEDULE OF REVENUES AND EXPENDITURES FOR
THE BUILDING DEPARTMENT IN ACCORDANCE WITH
STATE OF MICHIGAN ACT 245 OF 1999
YEAR ENDED MARCH 31, 2004

REVENUES

Building, mechanical, plumbing and electrical permits and inspections \$ 16,032

TOTAL REVENUES \$ 16,032

EXPENDITURES

Contracted services for issuance of building, mechanical,
plumbing and electrical permits and inspections \$ 16,255

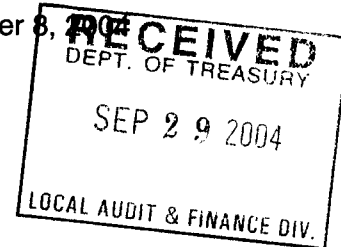
TOTAL EXPENDITURES \$ 16,255

EXCESS OF REVENUES OVER EXPENDITURES \$ (223)

CUMULATIVE EXCESS OF REVENUES OVER EXPENDITURES
MARCH 31, 2003 6,671

CUMULATIVE EXCESS OF REVENUES OVER EXPENDITURES
MARCH 31, 2004 \$ 6,448

September 8, 2004



Township Board
Township of Hopkins
Hopkins, Michigan

Board Members:

Thank you for the opportunity to be of service to you in performing an audit of the financial statements of the Township of Hopkins for the year ended March 31, 2004.

In planning and performing our audit of the financial statements of the Township of Hopkins, we noted certain matters that we would like to bring to your attention.

Internal Control Procedures

Although, with a small number of office staff, certain internal control procedures may be difficult to implement, we recommend that management periodically review such items as segregation of duties and independent reconciliation of financial data, among others. During our review of current internal control procedures, we noted that the clerk's signature stamp was accessible to the treasurer during the clerk's vacation periods. We recommend that another authorized person sign checks in the absence of the clerk to support the control of dual signatures. We do wish to make management aware that establishing internal controls is an ongoing process requiring periodic internal review.

Interim Audit Work

Because the Township's population is less than 4,000, the Township is required to have an audit at least every two years. In connection therewith, the Board should give consideration regarding whether certain audit procedures should be performed at the end of the interim year to permit a proper cut off of transactions at year end. We also recommend that a balance sheet be prepared for the tax account in the interim year with precise accounting for taxes receivable, due to other funds, and due to other governmental units. This statement should reconcile to the general fund's receivable from the tax account.

Cash Disbursements

Our audit procedures included the examination of supporting documentation for a sample of non-payroll and payroll disbursements as well as certain other disbursements selected for analysis. Our review did not bring to light any specific concerns. In general, we recommend that control procedures prescribed be completed for all transactions and that transactions be overviewed when possible, so that only proper disbursements are made.

675 East 16th Street
Suite 100
Holland Michigan 49423
Phone: (616) 392-8534
Fax: (616) 392-7299
www.fbzcpa.com

New Financial Reporting Requirements

During 1999, the Governmental Accounting Standards Board issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This statement establishes new financial reporting requirements for state and local governments throughout the United States. It establishes new basic financial statements and required supplementary information for general purpose governments. In regards to the Township, this Statement will be effective for the fiscal year beginning April 1, 2004.

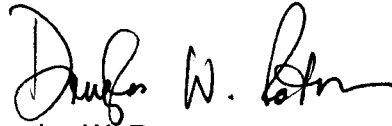
We would like to thank the Board for the opportunity to work with the Township of Hopkins and look forward to continued service with the Township.

If you have any questions regarding the financial statements or the above recommendations and suggestions, we would be pleased to discuss them with you.

This report is intended solely for the information and use of the Township Board and management.

Sincerely,

FERRIS, BUSSCHER & ZWIERS, P.C.

A handwritten signature in black ink, appearing to read "Douglas W. Rotman".

Douglas W. Rotman, C.P.A.

DWR/cs